

International Mobile Satellite Organization

ASSEMBLY

Eighteenth Session

25 – 29 September 2006

Agenda item 9

ASSEMBLY/18/9.1

Origin: Chairman of
Advisory Committee

Date: 1 August 2006

**REPORT OF THE CHAIRMAN OF
THE ADVISORY COMMITTEE**

<i>Executive Summary:</i>	this document summarises the activities of the Advisory Committee since the Seventeenth Session of the Assembly.
<i>Action to be taken:</i>	to note the activities of the Advisory Committee;
<i>Related documents:</i>	ASSEMBLY/18/INF/4, Annex IX, Reports of the Ninth to Fifteenth Sessions of the Advisory Committee

1 BACKGROUND

1.1 Since the Seventeenth Session of the Assembly, the Advisory Committee has held seven meetings. Copies of the reports of each meeting were sent to all IMISO Parties at the conclusion of each meeting, and are available as Annex IX to ASSEMBLY/18/INF/4. The Chairman of the Committee from the Ninth to the Eleventh Sessions was Mr Mohammed Dukuly of Liberia. The Committee appointed Captain Esteban Pacha Vicente of Spain as Chairman from the Twelfth Session onwards. The Sixteenth Session of the Committee will be held in September 2006, just before the Assembly Session, and the outcome of that session will be reported separately as an Addendum to this document.

2 ACTIVITIES OF THE ADVISORY COMMITTEE

The Advisory Committee meets on a regular basis, and its Agenda is agreed on the basis of ongoing issues.

The following items have been discussed, and advice and guidance given to the Director, as summarized below and set out in the referenced reports:

2.1 **IMSO Budgets for 2005 and 2006 and Accounts for 2005**

(AC/9/Report, Section 4.1, AC/11/Report, Section 6.1, AC/12/Report, Section 8, AC/13/Report, Section 7, AC/15/Report, Section 4 and ASSEMBLY/18/11)

2.1.1 The budgets for financial years 2005 and 2006 were discussed and agreed at the Ninth and Thirteenth Sessions of the Committee respectively, as follows:

	2005	2006
Salary Costs:	£344,250	£341,050
Office Maintenance:	£50,150	£49,960
Rental:	£25,422	£25,422
Travel and Hospitality:	£40,500	£41,400
Meeting Costs:	£39,000	£77,500 *
TOTAL:	£499,322	£540,685

* includes cost of an Assembly Session in 2006

2.1.2 In the light of the relocation of the Cospas-Sarsat Secretariat in August 2005, and the loss, therefore, of the services of the Cospas-Sarsat Finance Officer, the Committee agreed with the Director to extend the job description of the Head of Administrative Services to cover some of the day to day functions of the Finance Officer and to outsource the supervisory accounting functions to Mazars LLP.

2.1.3 The Committee has also discussed and noted the audited financial statements for 2004 and 2005.

2.2 **Draft Reference Public Services Agreement**

(AC/9/Report, Section 5.1, AC/10/Report, Section 4, AC/11/Report, Section 4, AC/12/Report, Section 5, AC/13/Report, Section 3, AC/15/Report, Sections 3.1 and 3.3 and ASSEMBLY/18/5 and its Addenda)

2.2.1 At its Seventeenth Session, the Assembly “*agreed by an overwhelming majority that IMSO is willing to carry out the oversight of future providers of mobile satellite communications services for the GMDSS*”. Subsequently, the IMO Maritime Safety Committee (MSC) “*confirmed and reiterated its decision at MSC 78, that IMSO was the*

appropriate organization to carry out the required oversight and it, therefore, instructed the Secretariat to communicate with IMSO formally inviting that organization to carry out such oversight.” In his letter to the Director dated 24 January 2005, the Secretary-General of the International Maritime Organization wrote: *“In accordance with the instructions of the Committee, I now formally invite IMSO to carry out that oversight role forthwith”*.

2.2.2 Subject to amendment of the IMSO Convention, and final decision by the IMO MSC, the new oversight regime for GMDSS satellite services will be based on a revised IMO Assembly Resolution A.888(21) and a new Reference Public Services Agreement between IMSO and each GMDSS satellite service provider.

2.2.3 As requested by the Assembly, the Advisory Committee has worked with the Director to develop and finalize a draft Reference Public Services Agreement (PSA). As can be seen from each Report of the Committee, a great deal of time and effort has been devoted to this work, with the Committee refining the text of the draft PSA at each meeting. Indeed, additional meetings were held during 2005 for this purpose. Representatives of Inmarsat and potential GMDSS providers participated in this process and attended meetings at the invitation of the Committee, as appropriate, to contribute to the final text of the Reference PSA in order to ensure that their concerns and interests were taken into account. In view of the fundamental link between the PSA and IMO Resolution A.888 “*Criteria for the Provision of Mobile-Satellite Communication Systems in the Global Maritime Distress and Safety System (GMDSS)*”, developments within IMO have been taken into account and both documents have been developed in parallel to ensure their consistency.

2.2.4 At its Fifteenth Session, the Committee noted that IMO COMSAR 10 had endorsed revised text of resolution A.888(21), on the basis of the "clean break" principle, but there had been discussion in the MSC concerning the proper mechanism for evaluating and recognizing new service providers for the GMDSS, and whether this should be undertaken by IMSO or by IMO.

2.2.5 The Committee noted that the MSC, recognizing that any revised resolution could not be adopted until the twenty-fifth session of the IMO Assembly in November 2007, accordingly agreed to reconsider the proposed revised text of resolution A.888(21) at MSC 82 on the basis of further

comments and proposals from Member Governments and legal advice of the IMO Secretariat Legal Division in respect of the issue of evaluation and recognition. The Committee also noted that MSC 82 will meet after the Eighteenth Session of the IMSO Assembly with the aim, *inter alia*, of adopting the revision of resolution A.888(21).

2.2.5 One of the fundamental issues in developing the Reference PSA was the arrangement for the development, approval and apportionment between service providers of the Organization's budget (AC/12/Report, Section 6 refers). Recalling that Member States do not contribute to the budget and that this principle was embodied in the Convention, the Committee agreed on the principles to be embodied in the budget apportionment scheme, including separate Legal and Contingency Funds.

2.2.6 Another issue which was considered by the Committee was the establishment of an Independent Group of Experts, and the Terms of Reference, Costs, Verification and Evaluation Procedures for such a group.

2.2.7 Other significant issues which were considered were the appeal procedures and winding up clause. However, at the Fifteenth Session, Inmarsat informed the Committee that two issues of concern remained for Inmarsat and potential GMDSS providers in relation to the draft Reference PSA: cost and assignment of the right to wind up the company. Inmarsat and the Director were working on the text of the winding up assignment clause with the aim of developing a mutually acceptable alternative text before the Assembly. The issue of cost arose from the requirement that the providers should pay for the costs of the Organization and no resolution to this issue was in sight. The observer from Inmarsat informed the Committee that the company would be prepared to sign the new Reference PSA if the assignment issue was satisfactorily resolved.

2.2.8 The Committee agreed the text of the draft Reference Public Services Agreement as set out at Annex VII to the Report of the Thirteenth Session of the Committee, and recommended its approval by the Assembly.

2.3 **Long Range Identification and Tracking of Ships (LRIT)**

(AC/10/Report, Section 5.1, AC/11/Report, Section 5, AC/12/Report, Section 7, AC/15/Report, Section 3.2, ASSEMBLY/18/4.1, ASSEMBLY/18/6/REV/1)

2.3.1 At its Seventeenth Session, the Assembly endorsed the Director's intention to keep in close touch with developments in relation to LRIT and to inform the Assembly accordingly. The Director has reported to each session of the Committee on developments within IMO on this issue, particularly in the light of the request of the Eighteenth Session of the IMO Maritime Safety Committee for "*IMSO to advise the IMO MSC whether IMSO would be willing and able to undertake the oversight of the LRIT system on behalf of IMO*". The Committee highlighted a number of issues to be considered regarding the possibility of an oversight role for IMSO in LRIT, noting that the amendments to the IMSO Convention which had been approved in principle at the Seventeenth Session of the Assembly did not specifically provide for such a possibility.

2.3.2 The Committee recommended that the Assembly decide to respond to IMO that IMSO would be willing to undertake the oversight of the LRIT system within the legal framework established by IMO, but that IMSO was not in a position to state that it was able to undertake oversight of the LRIT system until the operational requirements had been sufficiently developed by IMO.

2.3.3 At its Fifteenth Session, the Committee noted the outcome of the Eighty-First Session of the IMO Maritime Safety Committee related to LRIT and noted that IMO has now adopted amendments to SOLAS and a Performance Standard which completely defines the operational requirements for the LRIT system, including a full description of the functions and duties of the LRIT Co-ordinator. The Committee discussed the Director's initial assessment of the impact on the Organization of implementing LRIT, in relation to Terms of Reference, Personnel, Costs and Funding.

2.3.4 The Committee also noted the outcome of the IMO Ad Hoc Working Group on Engineering Aspects of LRIT.

2.3.5 The Committee agreed that:

- (a) it was important to make a clear distinction between the roles of oversight and those of evaluation and approval;
- (b) it will be Member States that will have to pay for any work undertaken by IMO, whilst IMSO would be able to charge applicant commercial companies for any work done to evaluate their offerings;
- (c) the budgets for GMDSS and LRIT should be kept separate, recognizing that there would be some common costs to be shared between the two systems;
- (d) funding should be based on commercial practice and a system of payments in advance; there was a need to explore how to fund initial start up costs, recognizing that funding will come from commercial providers of the service; and
- (e) some delegations were concerned to ensure that the Organization will be able to recover all its costs, and that no financial burden will fall on Governments in the event that a commercial provider fails or defaults on a payment. The Director indicated his intention to limit this risk through the use of modern commercial business practices.

2.3.6 Although there was wide agreement that IMSO could provide the oversight function, some countries believed that it would inappropriate for IMSO to be responsible also for the task of evaluation and approval of providers.

2.3.7 The Director informed the Committee that, whatever decision the MSC makes in relation to the evaluation and approval procedures for GMDSS, the same principles MUST apply equally to LRIT.

2.3.8 The Committee noted that the Director intended to provide further details of personnel aspects, including comparison with the UN system, job description, organization diagram, and procedures for the selection of personnel, taking into account comments made, and submit it to the next session of the Advisory Committee and the Assembly.

2.4 **Extraordinary Session of the IMSO Assembly**

(AC/10/Report, Section 5.4, AC/11/Report, Section 6.4)

At its Seventeenth Session, the Assembly had anticipated that an Extraordinary Session of the Assembly might be necessary for formal approval by the Assembly of the amendments to the Convention and of the Reference Public Services Agreement. The Committee agreed that the Director should make provisional reservations for such a session in late 2005, pending the outcome of work on the Reference Public Services Agreement. The Committee subsequently advised the Director to cancel the Extraordinary Session and to postpone to the regular session of the IMSO Assembly in 2006 the formal adoption of the amendments to the IMSO Convention and resolution of all outstanding issues.

2.5 **Proposed Procedures for the Appointment of the IMSO Director**

(AC/14/Report, Section 3)

The Committee discussed a draft letter on this issue at its Fourteenth Session and agreed that:

- these Procedures should be used as a basis for the appointment of the next Director, subject to the approval of the Assembly;
- provision for proxy voting should be included in the Procedures;
- it would be useful for a Procedure for the Appointment of the IMSO Director for use in the future to be embodied in the Rules of Procedure for the Assembly;
- the functions for the next IMSO Director should be based on the functions which were approved at the Fourteenth (Extraordinary) Session of the Assembly. However, it may be necessary to revise these functions, in the light of any decisions which may be taken by the Assembly at the Eighteenth Session;
- in order to demonstrate full transparency and alleviate the concerns expressed by several delegations in this regard, the Remuneration and General Terms and Conditions of Employment for the IMSO Director should be based on those of the International Civil Service Commission (United Nations Common System of Salaries, Allowances and Benefits – <http://icsc.un.org>), subject to the approval of the Assembly;
- the post of the future Director should correspond with the level of Under Secretary General in the UN Common System. The

Committee noted that the proposed contract for the next Director would be written on this basis; and

- in order to be consistent and transparent, the ICSC UN Common System should be applied to the staff of the Secretariat and noted that the Director will make a submission on this issue to the Assembly.

2.6 **Composition of the Advisory Committee**

(AC/15/Report, Section 5, and Assembly/15/9.2)

At its Fifteenth Session, the Committee discussed the Director's proposals regarding the term of office of members of the Committee and the composition of the Committee, including observers. The Committee agreed that the system for the appointment of the Advisory Committee should not be changed at this time, and also agreed that it may be necessary for the Assembly to revise the Terms of Reference for the Committee depending on decisions taken at the Eighteenth Session of the Assembly. The Committee also agreed to recommend to the Assembly that it decide that the Committee should appoint a Vice-Chairman.

2.7 **IMSO Trademarks**

(AC/11/Report, Section 6.2)

The Committee agreed that the Director may, as requested by Inmarsat, confirm to Inmarsat that IMSO has no objection to Inmarsat stopping expenditure on renewal fees to protect redundant trademarks.

2.8 **IMSO Website**

(AC/11/Report, Section 6.3)

The Committee noted that the IMSO Website (www.imso.org) has been set up although it was not yet fully operational.

3 **ACTION REQUIRED**

The Assembly notes the reports of the Ninth to Sixteenth Sessions of the Advisory Committee.

4 **CONCLUSION**

To conclude I would like to thank members of the Committee for their excellent spirit of cooperation. I would like also to thank Mr Jerzy Vonau, the Director, Ms Jenny Ray and Mr Andy Fuller, Heads of Administrative and Technical Services for their work for organizing, convening and reporting sessions of the Committee, and for their unreserved assistance to the Chairman in helping him to properly fulfil his task.
